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DEPARTMENT OF THE NAVY
AMENDED FY 1992/FY 1993 BIENNIAL BUDGET ESTIMATES



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JUSTIFICATION OF ESTIMATES
SUBMITTED TO CONGRESS JANUARY 1992

SHIPBUILDING & CONVERSION, NAVY

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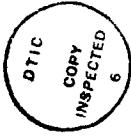
DEPARTMENT OF THE NAVY
SHIPBUILDING AND CONVERSION, NAVY

JUSTIFICATION OF ESTIMATES FOR FISCAL YEARS 1992/93

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SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long lead-time components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title [as follows:

SSM-21 attack submarine program, \$1,903,225,000;
DDG-51 destroyer program, \$4,107,688,000;
HMC coastal mine hunter program, \$341,096,000;
T-AGOS surveillance ship program, \$149,000,000;
AOS combat support ship program, \$500,000,000;
LCAC landing craft air cushion program, \$504,000,000;
Oceanographic ship program, \$99,818,000;
TAGS 39/40 program, \$55,000,000; Provided, That the Secretary of the Navy shall obligate \$55,000,000 to increase the price of the TAGS 39 and 40 contract and pay the contractor which built and delivered the TAGS 39 and 40 if the Secretary reviews the matter and determines there is justification to make such payment;
Sealift ship program, \$600,000,000;
For craft, outfitting, post delivery, and D&DP transfer, \$423,921,000;
For escalation, \$463,600,000;
For first destination transportation, \$5,939,000;
In all: \$9,153,287,000; \$5,319,472,000, to remain available for obligation until September 30, [1996] 1999; Provided, That additional obligations may be incurred after September 30, [1996] 1999, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel; Provided further, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	17-1611-0-1-051	Budget Plan (amounts for PROCUREMENT actions progressed)				Obligations	
		1991 actual	1992 est.	1993 est.	1991 actual	1992 est.	1993 est.
Program by activities:							
00.0101	Direct program:						
00.0101	Fleet ballistic missile ships	1,282,181	5,963,452	4,239,082	1,239,796	474,712	235,500
00.0101	Other warships	5,008,753	25,000	5,040,462	6,105,676	5,918,628	
00.0201	Amphibious ships	1,361,797	349,807	274,918	1,337,029	161,809	
00.0401	Mine warfare and patrol ships	200,608	2,217,079	246,205	273,291	520,416	
00.0501	Auxiliaries, craft, and prior-year program	902,672		834,185	979,274	2,097,724	239,859
00.9101	Total direct program	8,756,011	8,555,138	5,319,472	7,807,741	10,535,759	1,280,357
10.0001	Total	8,756,011	8,555,138	5,319,472	7,807,741	10,535,759	7,835,753
financing:							
Offsetting collections from:							
11.0001	Federal funds (-)					71	
17.0001	Recovery of prior year obligations					-31,843	
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans	-159,716	-1,632,960	-1,675,100	-7,332,578	-7,638,354	-7,120,503
21.4003	Available to finance new budget plans	-674,287	1,462,860		-159,716	-1,632,960	-1,875,100
21.4003	Reprogramming from/to prior year budget plan						
22.0001	Unobligated balance transferred from other accounts	-100,000			-100,000		
24.4002	Unobligated balance available, end of year:						
24.4002	For completion of prior year budget plans	1,632,960	1,875,100		7,638,354	7,120,593	4,604,312
24.4003	Available to finance subsequent year budget	438,783			1,632,960	1,875,100	
25.0001	Unobligated balance expiring				438,783		
39.0001	Budget authority	9,893,771	10,280,138	3,444,372	9,893,771	10,260,138	3,444,372
40.0001	Budget authority:						
40.7503	Appropriation	10,148,871	9,178,287	5,319,472	10,148,871	9,178,287	5,319,472
40.7503	Reduction pursuant to P.L. 102-172 (-)		-23,149			-23,149	
41.0001	Transferred to other accounts (-)	-459,716	-357,860	-1,875,100	-459,716	-357,860	-1,875,100
42.0001	Transferred from other accounts	204,616	1,462,860		204,616	1,462,860	
43.0001	Appropriation (adjusted)	9,893,771	10,280,138	3,444,372	9,893,771	10,260,138	3,444,372
Relation of obligations to outlays:							
71.0001	Obligations incurred				7,807,812	10,535,759	7,835,753
72.4001	Obligated balance, start of year				31,120,258	27,441,221	27,524,793
74.4001	Obligated balance, end of year				-27,441,221	-27,524,793	-25,543,430
77.0001	Adjustments in expired accounts (net)				56,868		
78.0001	Adjustments in unexpired accounts				-31,843		
90.0001	Outlays (net)	11,511,875	10,452,187	9,817,116			

Shipbuilding & Conversion, Navy
Object Classification (in Thousands of dollars) SUMMARY

		1991 actual	1992 est.	1993 est.
Identification code	17-161-0-1-061			
Direct obligations:				
Other services:				
Contracts	188.842	228.870	181.951	
Other	188.842	217.871	182.810	
Equipment	7.430.057	10.088.918	7.460.992	
188.001 Total Direct obligations	7.607.741	10.535.759	7.835.753	
888.901 Total obligations	7.607.741	10.535.759	7.835.753	

Shipbuilding & Conversion, Navy
 (Rescission Proposal)
 Program and Financing (in Thousands of dollars) SUMMARY

		Budget Plan (amounts for PROCUREMENT actions programmed)		Obligations			
		1991 actual	1992 est.	1993 est.	1992 actual	1991 est.	1993 est.
Identification code	17-1611-5-1-051						
Program by activities:							
Direct program:							
Other warships	-1,381,700	-1,853,200			-1,223,112	-296,512	
Auxiliaries, craft, and prior-year program		-238,100			-157,146	-38,096	
Total direct program	-1,381,700	-2,091,300			-1,380,258	-334,608	
10.0001	Total	-1,381,700	-2,091,300		-1,380,258	-334,608	
Financing:							
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans	-1,381,700			1,381,700	2,092,742	
21.4003	Available to finance new budget plans				-1,381,700		
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans			-1,381,700	-2,092,742	-1,758,134	
24.4003	Available to finance subsequent year budget	1,381,700		1,381,700			
39.0001	Budget authority		-3,473,000			-3,473,000	
Budget authority:							
40.3001	Appropriation rescission proposal (~)	-2,091,300			-2,091,300		
40.3101	Appropriation rescission proposal (unob bal)	-1,381,700			-1,381,700		
49.0001	Appropriation (adjusted)		-3,473,000			-3,473,000	
Relation of obligations to outlays:							
71.0001	Obligations incurred				-1,380,258	-334,608	
72.4001	Obligated balance, start of year				-1,203,135	-1,203,135	
74.4001	Obligated balance, end of year				1,203,135	1,075,334	
90.0001	Outlays (net)				-177,123	-461,909	

Shipbuilding & Conversion, Navy
 (Recession Proposal)
 Object Classification (In Thousands of dollars) SUMMARY

	1991 actual	1992 est.	1993 est.
Identification code	17-1811-5-1-051		
Direct obligations:			
131.001 Equipment		-1,380,258	-334,608
132.001 Total Direct obligations		-1,380,258	-334,608
830.801 Total obligations		-1,380,258	-334,608

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1993

Budget Plan (amounts for PROCUREMENT
actions programmed)

Identification code	17-1811-0-1-061	1991 actual	1992 est.	1993 est.	1991 actual	1992 est.	1993 est.
Program by activities:							
Direct program:							
00.0201	Other warships	4,239,082					2,753,704
00.0401	Mine warfare and patrol ships	246,205					162,496
00.0601	Auxiliaries, craft, and prior-year program	834,185					594,652
00.0101	Total direct program		5,319,472				3,510,852
10.0001	Total				5,319,472		3,510,852
Financing:							
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans						1,808,620
40.0001	Budget Authority (Appropriation)		5,319,472				5,319,472

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1992

		Budget Plan (amounts for PROCUREMENT actions programmed)		Obligations	
Identification code	17-1611-0-1-051	1991 actual	1992 est.	1993 actual	1992 est.
Program by activities:					
Direct programs:					
00.0201	Other warships	5,963,452		3,906,062	994,466
00.0301	Amphibious ships	25,000		23,811	1,189
00.0401	Mine warfare and patrol ships	349,607		230,742	55,936
00.0501	Auxiliaries, craft, and prior-year program	2,217,078		1,485,776	317,231
00.0101	Total direct program	8,555,138		5,846,391	1,368,822
10.0001	Total	8,555,138		5,846,391	1,368,822
Financing:					
Unobligated balance available, start of year:					
21.4002	For completion of prior year budget plans			-600,000	-2,908,747
21.4003	Available to finance new budget plans				-600,000
24.4002	Unobligated balance available, end of year:				
24.4003	For completion of prior year budget plans				
39.0001	Available to finance subsequent year budget				
	Budget authority:				
40.0001	Appropriation	9,178,287			9,178,287
40.7503	Reduction pursuant to P.L. 102-172 (-)	-23,149		-600,000	-23,149
41.0001	Transferred to other accounts (-)*				-600,000
43.0001	Appropriation (adjusted)	9,155,138	-600,000	9,155,138	-600,000

Shipbuilding & Conversion, Navy
(Rescission Proposal)
Program and Financing (in thousands of dollars) FISCAL YEAR 1992

		Budget Plan (amounts for PROCUREMENT actions proposed)		Obligations	
		1991 actual	1992 est.	1991 actual	1992 est.
Identification code	17-1611-5-1-051				
Program by activities:					
Direct program:					
Other warships		-1,853,200		-1,223,112	-296,512
Auxiliaries, craft, and prior-year program		-238,00		-157,146	-38,096
00.0201					
00.0501					
00.9101	Total direct program		-2,091,300	-1,380,258	-334,608
10.0001	Total		-2,091,300	-1,380,258	-334,608
Financing:					
Unobligated balance available, start of year:					
21.4002	For completion of prior year budget plans				711,042
24.4002	Unobligated balance available, end of year:				-376,434
For completion of prior year budget plans					-
40.3001	Budget authority (Appropriation rescission p		-2,091,300	-2,091,300	-

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1991

		Budget Plan (amounts for PROCUREMENT actions programmed)		Obligations	
Identification code	17-1611-0-1-051	1991 actual	1992 est.	1993 est.	1993 est.
Program by activities:					
Direct program:					
00.0101	Pilot ballistic missile ships	1,202,161		939,238	82,687
00.0201	Other warships	5,008,753	3,350,986	464,591	104,502
00.0301	Amphibious ships	1,361,797	197,929	1,067,986	983,281
00.0401	Mine warfare and patrol ships	200,608	129,292	30,561	95,882
00.0501	Auxiliaries, craft, and prior-year program	902,672	453,830	324,277	16,306
00.0101	Total direct program	8,756,011		5,071,277	1,970,102
10.0001	Total	8,756,011		5,071,277	1,970,102
Financing:					
Unobligated balance available, start of year:					
21.4002	For completion of prior year budget plans		-1,267,860		-3,519,734
21.4003	Available to finance new budget plans	-165,000	-900,000	-1,257,860	-1,714,632
21.4008	Reprogramming from/to prior year budget plan	165,000			-900,000
Unobligated balance available, end of year:					
24.4002	For completion of prior year budget plans			3,519,734	1,714,632
24.4003	Available to finance subsequent year budget	1,267,860	900,000	1,257,860	401,230
39.0001	Budget authority	9,848,871	-192,860	-900,000	-900,000
Budget authority:					
40.0001	Appropriation	10,148,871		10,148,871	
41.0001	Transferred to other accounts (-)	-300,000	-357,860	-300,000	-357,860
42.0001	Transferred from other accounts	165,000	165,000		165,000
43.0001	Appropriation (adjusted)	9,848,871	-192,860	-900,000	-900,000

Shipbuilding & Conversion, Navy
 (Rescission proposal)
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1991

Identification code	17-1811-5-1-061	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations			
		1991 actual	1992 est.	1993 est.	1991 actual	1992 est.	1993 est.	
Program by activities:								
00. 0201 Direct programs:								
00. 0201 Other warships		-1,381,700						
10. 0001 Total		-1,381,700						
Financing:								
Unobligated balance available, start of year:								
21. 4002 For completion of prior year budget plans		-1,381,700						
21. 4003 Available to finance new budget plans					-1,381,700			
Unobligated balance available, end of year:								
24. 4002 For completion of prior year budget plans			-1,381,700		-1,381,700			
24. 4003 Available to finance subsequent year budget		1,381,700			1,381,700			
40. 3101 Budget authority (Appropriation rescission p			-1,381,700			-1,381,700		

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1990

		Budget Plan (amounts for PROCUREMENT actions programmed)		Obligations	
		1991 actual	1992 est.	1993 est.	1993 est.
Identification code	17-1611-0-1-051				
Program by activities:					
Direct program:					
Fleet ballistic missile ships		111,253	147,303	78,891	
00.0101		594,530	304,066	276,812	
00.0201		33,917	18,521	13,643	
Other warships					
00.0301		95,503	89,692	1,055	
Amphibious ships					
00.0401		296,955	135,719	209,316	
Mine warfare and patrol ships					
00.0501					
Auxiliaries, craft, and prior-year program costs					
00.0601					
Total direct program				1,132,158	695,661
10.0001	Total				579,717
17.0001	Financing:				
Recovery of prior year obligations				-1,846	
Unobligated balance available, start of year:					
For completion or prior year budget plans					
21.4002		-375,100	-375,100	-3,111,344	-1,729,692
Available to finance new budget plans		400,223			-1,434,254
21.4003					-375,100
Reprogramming from/to prior year budget plan					-375,100
22.0001		-251,340			
Unobligated balance transferred from other ac					
21.4002		-80,000		-80,000	
Unobligated balance available, end of year:					
24.4002		1,729,692	1,434,254		854,537
For completion or prior year budget plans					
24.4003		375,100	375,100		
Available to finance subsequent year budget					
39.0001	Budget authority				
		375,100	-375,100		
		400,223	400,223		
Budget authority:					
Transferred to other accounts (-)		43,760	400,223	-375,100	-375,100
Transferred from other accounts					
41.0001				43,760	400,223
42.0001					
43.0001	Appropriation (adjusted)			43,760	400,223

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1989

Identification code	17-1611-0-1-051	Budget Plan (Amounts for PROCUREMENT actions programmed)			Obligations		
		1991 actual	1992 est.	1993 est.	1991 actual	1992 est.	
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships		45,071	66,908	52,107		
00.0201	Other warships	283,434	116,783	910,265			
00.0301	Amphibious ships	9,802	78,514	51,095			
00.0401	Mine warfare and patrol ships	6,858	154,439	3,767			
00.0501	Auxiliaries, craft, and prior-year program costs	82,120	75,046	45,726			
00.9101	Total direct program		427,285	491,688	1,062,960		
10.0001	Total:				427,285	491,688	
Financing:							
17.0001	Recovery of prior year obligations		-28,944				
17.0001	Unobligated balance available, start of year:						
21.4002	For completion of prior year budget plans	24,905	350,238	-1,576,845	-1,204,409	-1,062,960	
21.4009	Reprogramming from/to prior year budget plan	-20,000		-20,000			
22.0001	Unobligated balance transferred from other ac						
24.4002	Unobligated balance available, end of year:						
25.0001	For completion of prior year budget plans	151		1,204,409	1,062,960		
42.0001	Unobligated balance expiring			151			
42.0001	Budget authority (Transferred from other ac	5,056	350,239	5,056	350,239		

Shipbuilding & Conversion, Navy Program and Financing (In Thousands of dollars)		FISCAL YEAR 1988	
Budget Plan (Amounts for PROCUREMENT actions programmed)		Obligations	
Identification code	17-1611-0-1-051	1991 actual	1992 est.
Program by activities:			
Direct program:			
Fleet ballistic missile ships		57,606	152,898
00.0101		312,850	972,549
00.0201		33,270	145,443
00.0301		12,856	40,463
00.0501			
00.9101	Total direct program	476,582	1,311,353
10.0001	Total	476,582	1,311,353
Financing:		-33	
17.0001	Recovery of prior year obligations		
Unobligated balance available, start of year:		-1,592,865	-1,116,316
For completion of prior year budget plans		-144,041	-144,041
21.4002	For completion of prior year budget plans		
21.4003	Available to finance new budget plans	195,037	
21.4004	Reprogramming from/to prior year budget plan		
24.4002	Unobligated balance available, end of year:		
24.4002	For completion of prior year budget plans		
39.0001	Budget authority		
-144,041	195,037		
Budget authority:			
41.0001	Transferred to other accounts (-)		
42.0001	Transferred from other accounts		
43.0001	Appropriation (adjusted)	195,037	
		-144,041	195,037
		-144,041	195,037

**Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987**

**Budget Plan (amounts for PROCUREMENT
actions programmed)**

Identification code	17-1611-0-1-051	1991 actual	1992 est.	1993 est.	1991 actual	1992 est.	1993 est.
Program by activities:							
Direct program:							
00.0101 Fleet ballistic missile ships					70,953	9,600	
00.0201 Other warships					402,516	206,734	
00.0501 Auxiliaries, craft, and prior-year program costs					124,259	1,907	
00.9101 Total direct program					597,728	218,241	
10.0001 Total					597,728	218,241	
Financing:							
Offsetting collections from:							
11.0001 Federal funds(-)					71		
17.0001 Recovery of prior year obligations					-20		
Unobligated balance available, start of year:							
21.4002 For completion of prior year budget plans					-1,033,449	-222	
21.4003 Available to finance new budget plans					-15,675		
21.4009 Reprogramming from to prior year budget plan							
24.4002 Unobligated balance available, end of year:							
24.4003 For completion of prior year budget plans					222		
25.0001 Unobligated balance expiring					435,449		
39.0001 Budget authority					-15,675		
Budget authority:							
41.0001 Transferred to other accounts (-)*					-15,675		
42.0001 Transferred from other accounts						218,019	
43.0001 Appropriation (adjusted)					-15,675		218,019

**Shipbuilding & Conversion, Navy
Program and Financing (In Thousands of dollars) FISCAL YEAR 1986**

Identification code	17-1811-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)		Obligations		
		1991 actual	1992 est.	1991 actual	1992 est.	
Program by activities:						
Direct program:						
00.0101	Fleet ballistic missile ships			1,000		
00.0201	Other warships			32,112		
00.0301	Amphibious ships			2,454		
00.0401	Mine warfare and patrol ships			9,900		
00.0501	Auxiliaries, craft, and prior-year program costs			4,860		
00.9101	Total direct program			45,641	50,326	
10.0001	Total			45,641	50,326	
Financing:						
Unobligated balance available, start of year:						
21.4002	For completion of prior year budget plans			-12,795		
21.4006	Reprogramming from prior year budget plan	32,846	50,326			
25.0001	Unobligated balance expiring	3,154		3,154		
42.0001	Budget authority (transferred from other ac	36,000	50,326	36,000	50,326	

Shipbuilding & Conversion, Navy
Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

		Budget Plan (Amounts for PROCUREMENT actions programmed)			Obligations		
Identification code	17-1611-0-1-051	1991 actual	1992 est.	1993 est.	1991 actual	1992 est.	1993 est.
Program by activities:							
Direct program:							
00.0101	Fleet ballistic missile ships				36,144	14,318	
00.0201	Other warships				91,856	5,082	
00.0401	Mine warfare and patrol ships				5,251	29,616	
00.0601	Auxiliaries, craft, and prior-year program costs						
00.9101	Total direct program				41,395	143,872	
10.0001	Total				41,395	143,872	
Financing:							
21.4002	Unobligated balance available, start of year:						
21.4009	For completion of prior year budget plans				-5,280	-59,856	
24.4002	Reprogramming from/to prior year budget plan	95,971	84,016				
25.0001	Unobligated balance available, end of year:				59,856	29	
25.0001	For completion of prior year budget plans						
42.0001	Budget authority (Transferred from other ac)	96,000	84,016		96,000	84,016	

**STATUS OF COMPLETION OF PRIOR YEAR
SHIPBUILDING PROGRAMS**

		<u>Uncompleted As of 21 Dec 1991</u>	<u>To Be Completed in FY 1992</u>	<u>To Be Completed in FY 1993</u>	<u>To Be Completed in FY 1994 and Subsequent Years</u>
FY 1983 and Prior Years					
Ships	1	1	0	0	0
New Construction	1	1	0	0	0
Conversion	0	0	0	0	0
FY 1984					
Ships	0	0	0	0	0
New Construction	0	0	0	0	0
Conversion	0	0	0	0	0
FY 1985					
Ships	4	2	1	1	1
New Construction	4	2	1	1	1
Conversion	0	0	0	0	0
FY 1986					
Ships	11	5	1	1	1
New Construction	10	4	0	0	0
Conversion	1	1	0	0	0
FY 1987					
Ships	11	6	0	0	0
New Construction	11	4	0	0	0
Conversion	0	0	0	0	0
FY 1988					
Ships	15	3	0	0	0
New Construction	15	4	0	0	0
Conversion	0	0	0	0	0
FY 1989					
Ships	22	2	1	1	1
New Construction	21	6	6	6	0
Conversion	1	1	1	1	0

			To Be Completed in BY 1994 and Subsequent Years		
Uncompleted As of 31 Dec 1991			To Be Completed in FY 1992		To Be Completed in FY 1993
FY 1990	Ships	23	0	5	18
	New Construction	21	0	3	18
	Conversion	2	0	2	0
FY 1991	Ships	9	0	0	9
	New Construction	9	0	0	9
	Conversion	0	0	0	0
FY 1992	Ships	12	0	0	12
	New Construction	12	0	0	12
	Conversion	0	0	0	0

The FY 1993 request includes 6 new construction ships and 1 conversion.

BUDGET ACTIVITY NO.1 - BALLISTIC MISSILE SHIPS (\$ in thousands)

FY 1993 Estimates	\$ -
FY 1992 Estimate	\$ -
FY 1991 Actual	\$1,282,181

PURPOSE AND SCOPE

Budget Activity 1 provides for the new construction of ballistic missile ships and supporting vessels and the conversion of existing ships to specialized configurations required to meet strategic objectives.

JUSTIFICATION OF FUNDS

The Trident mission is to provide an undersea strategic missile system in order to ensure that the U.S. continues to maintain a credible, survivable deterrent independent of foreseeable threats. Trident submarines are highly survivable due to the incorporation of the latest state of the art in submarine quietness, mobility, and self-defense. Each has an integrated radio room designed to provide communication links in a hostile electromagnetic environment and carries the latest in submarine defense systems. Other features include a 70-day patrol period, a 25-day turnaround period between patrols, not less than 10 year intervals between overhauls/refuelings, and a projected operating life of 30 years.

BUDGET ACTIVITY NO. 2 - OTHER WARSHIPS

(\$ in Thousands)

FY 1993 Estimate	\$ 4,239,082
FY 1992 Estimate	\$ 4,110,252
FY 1991 Actual	\$ 3,627,053

PURPOSE AND SCOPE
Budget Activity 2 provides for construction, conversion, modernization, service life extension and nuclear surface ship refueling overhauls of major warships other than ballistic missile ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 2 include:

CVN CARRIER REPLACEMENT

(\$ in thousands)

	<u>QTY</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>AMT</u>
	-	-	-	\$832,200

AIRCRAFT CARRIER

The FY 1993 request includes \$832,200 in advance procurement funding to support construction of CVN-76 in FY 1995. This funding is required to procure one complete shipset of long leadtime nuclear propulsion equipment.

SSN-21 CLASS NEW DESIGN SUBMARINE (NUCLEAR) (\$ in Thousands)

	<u>FY 1992</u>	<u>QTY</u>	<u>AMT</u>
		-	\$46,300

The FY 1992 request includes \$46,300. This funding is estimated to be sunk costs. In light of changes in world conditions, the accompanying reductions in threats to American interests and the vigorous pace of submarine construction in the past decade, there is no longer a pressing need now for production of a new class of submarine for the U.S. fleet. As a result the SSN 21 program has been terminated; the intent is to complete one ship.

DDG-51 GUIDED MISSILE DESTROYER (\$ in Thousands)

	<u>FY 1992</u>	<u>QTY</u>	<u>AMT</u>
		5	\$4,063,975

The FY 1992 budget includes full funding of \$4,055,875 for five DDG-51 Guided Missile Destroyers and \$8,100 in advance procurement funds for continuation of the MK-45/MK-6 (Gun Mounts and Ammunition Hoists) multiyear procurement for the FY 1993 and FY 1994 programs. The FY 1993 budget requests full funding of \$3,346,543 for four DDG Class Destroyers and \$23,100 in advance procurement funds for continuation of the MK-45/MK-6 Multi-year procurement and final AN/UYG-1 units for the FY 1994 program. The DDG 51 will have a combat system which has the capability to perform simultaneous missions in Anti-Air, Strike, Anti-Surface and Anti-Submarine warfare areas. The DDG 51 will operate offensively and defensively as units of Carrier Battle Groups, Surface Action Groups, and in support of Underway Replenishment Groups and the Marine Amphibious Task Forces. The DDG 51 Class design provides outstanding combat capability and survivability while meeting procurement and life cycle support cost constraints.

CVN NUCLEAR REFUELING OVERHAUL

(\$ in Thousand)

	<u>FY 1992</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1993</u>	<u>AMT</u>
	-		-		\$6,800

The FY 1993 budget requests \$6,800 for advance procurement for a refueling overhaul for USS NIMITZ (CVN-68). Failure to provide longlead funding in advance of planned overhaul authorization would preclude proper and timely execution of the FY 1998 CVN 68 refueling overhaul. The Department has proposed a policy change for the financing of nuclear surface ship refueling overhauls. Because of the complex nature and duration of the planned work packages, the financing for these overhauls will be treated as an investment item. This change will provide improved management oversight, improve fleet planning and scheduling and provide a clearer identification of the total cost of these overhauls.

CGN NUCLEAR REFUELING OVERHAUL

	<u>FY 1992</u>	<u>AMT</u>	<u>QTY</u>	<u>FY 1993</u>	<u>AMT</u>
	-		-		\$30,409

The FY 1993 budget requests \$30,409 for advance procurement for refueling overhauls for USS Virginia (CGN -38), planned for FY 1994 and USS Mississippi (CGN-40) planned for FY 1996. Failure to provide longlead funding in advance of planned overhaul authorization would preclude proper and timely execution. The Department has proposed a policy change for the financing of nuclear surface ship refueling overhauls. Because of the complex nature and duration of the planned work packages, the financing for these overhauls will be treated as an investment item. This change will provide improved management oversight, improved fleet planning and scheduling and provide a clearer identification of the total cost of these overhauls. FY 92 program costs for the CGN-38 refueling overhauls were financed in various procurement and O&M appropriations.

BUDGET ACTIVITY NO. 3 - AMPHIBIOUS SHIPS (\$ in Thousands)

FY 1993 Estimate	\$ -
FY 1992 Estimate	\$ 25,000
FY 1991 Actual	\$ 1,361,797

PURPOSE AND SCOPE

Budget Activity 3 provides for the construction and conversion of amphibious ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 3 include:

LSD-41 LANDING SHIP DOCK (CARGO VARIANT)

(\$ in Thousands)

	FY 1992	FY 1993
QTY	AMT	AMT
-	\$25,000	-

The FY 1992 budget appropriated \$25,000 as part of the second Desert Storm Supplemental for Advance Procurement for an LSD-41 Class (Dock Landing) cargo variant ship. The LSD (CV) will transport and launch amphibious craft and vehicles with their crews and embarked personnel in amphibious assault operations. It will also provide limited docking and repair services for conventional landing craft and Air Cushion Landing Craft (LCAC). The ships differ from the LSD-41 in that they will carry two less LCAC and have additional cargo capacity.

BUDGET ACTIVITY NO.4 - MINE WARFARE AND PATROL SHIPS

	(\$ in Thousands)		
FY 1993 Estimate			\$246,205
FY 1992 Estimate			\$349,607
FY 1991 Actual			\$200,608

PURPOSE AND SCOPE

Budget Activity 4 provides for the construction and conversion of ships with minesweeping capability, as well as patrol and escort ships.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 4 include:

MHC COASTAL MINE HUNTER (\$ in Thousands)

	FY 1992		FY 1993	
QTY	QTY	AMT	QTY	AMT
3		\$349,607	2	\$246,205

The FY 1992 budget provided \$349,607 for three Coastal Minehunter MHC ships in FY 1992. The FY 1993 request of \$246,205 is for two MHC ships. The MHC is a new class of coastal minehunting ships which will conduct mine neutralization, hunting, and sweeping operations in the U.S. harbor and coastal environment. The FY 1993 buy satisfies the Department's requirement and completes the program.

BUDGET ACTIVITY NO. 5 - AUXILIARIES, CRAFT, AND PRIOR YEAR PROGRAM COSTS

(\$ in Thousands)

FY 1993 Estimate	\$ 834,185
FY 1992 Estimate	\$1,978,979
FY 1991 Actual	\$ 902,672

PURPOSE AND SCOPE

Budget Activity 5 provides for the construction, conversion, and acquisition of auxiliary ships and craft, as well as other costs such as outfitting, post delivery, cost growth, escalation, and completion for prior year shipbuilding programs, when required.

JUSTIFICATION OF FUNDS

The funds requested for appropriation for Budget Activity 5 include:

TAGOS OCEAN SURVEILLANCE SHIP (\$ in Thousands)

	<u>FY 1992</u>	<u>QTY</u>	<u>AMT</u>	<u>FY 1993</u>	<u>QTY</u>	<u>AMT</u>
1						

FY 1992

QTY

AMT

FY 1993

QTY

AMT

\$148,509

-

The FY 1992 appropriation includes one dual acoustic system SURTASS TAGOS-23 hull designed with a SWATH (Small Waterplane Area Twin Hull) configuration. TAGOS ships will be used as a unit of the Military Sealift Command to support the towed arrays and data processing/transmitting equipments of the SURTASS system which collects, processes, and transmits acoustic data.

AOE FAST COMBAT SUPPORT SHIP

	(\$ in Thousands)	
	<u>FY 1992</u>	<u>AMT</u>
<u>QTY</u>	<u>QTY</u>	<u>AMT</u>
1		\$499,084
		-

The FY 1992 appropriation includes \$499,084 for one AOE-6 class ship. The AOE will deliver on-station munitions, bulk POL, and dry and frozen provisions to battle groups underway in hostile environments. The multi-product AOE significantly extends the endurance of the battle group for combat operations.

OCEANOGRAPHIC RESEARCH SHIP TAGS/AGOR

	(\$ in Thousands)	
	<u>FY 1992</u>	<u>AMT</u>
<u>QTY</u>	<u>QTY</u>	<u>AMT</u>
2		\$99,818
		-

The Oceanographic Research Ship program provides for two separate missions: ocean research, performed by AGOR class ships, and ocean survey, performed by TAGS class ships. The FY 1992 appropriation includes \$99,818 for one AGOR ship and one TAGS (OCEAN).

(\$ in Thousands)

	<u>FY 1992</u>	<u>AMT</u>
<u>QTY</u>	<u>QTY</u>	<u>AMT</u>
2		\$19,500
		-

OCEANOGRAPHIC RESEARCH SHIP CONVERSION

The FY 1993 request includes \$19,500 for the conversion of a TAGOS-1 class hull to perform an oceanographic mission. Due to the premature retirement of TAGOS-1 class ships, the Department is proposing an alternative acquisition strategy to satisfy its requirements for oceanographic research ships. The conversion of these relatively new TAGOS platforms to oceanographic vessels provides a more cost effective means of accomplishing the oceanographic mission as opposed to a new oceanographic shipbuilding program.

SERVICE CRAFT

	(\$ in thousands)	
	FY 1992	FY 1993
	QTY	AMT
	(13)	\$35,424
		QTY
		(13)
		AMT
		\$200,228

\$35,424 is included in FY 1992 for two floating cranes (YD), two fuel oil barges (YON), and nine water barges (YWN); \$200,288 is requested in FY 1993 for four open lighters (YC), four floating cranes (YD), three barracks craft (APL), one floating drydock (AFDB), and one fuel oil barge (YON).

LCAC LANDING CRAFT AIR CUSHION

	(\$ in thousands)	
	FY 1992	FY 1993
	QTY	AMT
	(12)	\$264,802
		QTY
		(12)
		AMT
		\$264,802

In FY 1992, Congress appropriated \$504 million for 24 LCAC. The FY 1992 budget of \$264,802 represents funding for 12 additional crafts. No funds are requested in FY 1993. The Landing Craft Air Cushion (LCAC) is a fully amphibious air cushion vehicle capable of operating from existing and planned well deck ships. The LCAC transports weapon systems, equipment, cargo, and personnel of the assault elements of the Marine Air/Ground Task Force, both from ship to shore and across the beach.

OUTFITTING (\$ in Thousands)

	FY 1992	QTY	AMT	FY 1993	QTY	AMT
	-	\$243,609		-		\$385,321

The FY 1992/1993 appropriation requests provide for outfitting material including spares, repair parts, and other material required to fill ships' initial allowance of stowroom and operating space items. Funds are budgeted incrementally on a lead-time away basis from each ship's projected delivery date.

POST DELIVERY

	FY 1992	QTY	AMT	FY 1993	QTY	AMT
	-	\$163,194		-		\$223,105

The FY 1992/1993 appropriation requests provide post delivery costs for design, planning, and government related labor costs required to correct ship deficiencies identified during trials. It is limited to the work which can be accomplished within the SCN funding availability period. All funds required for correction of deficiencies for a particular ship are budgeted in the first fiscal year in which funding is required.

INFLATION

	FY 1992	QTY	AMT	FY 1993	QTY	AMT
	-		\$463,600	-		-

FY92 funds in the amount of \$463,600 were appropriated for inflation increases on shipbuilding contracts for FY 91 and prior programs.

First Destination Transportation (\$ in thousands)

	<u>FY 1992</u>	<u>FY 1993</u>	
QTY	AMT	QTY	
-	\$5,939	-	\$6,031

The FY 1992/1993 request provides for the movement of newly procured equipment and material from the contractor's plant to the initial point by receipt of the Government.

PRIOR YEAR TAGS PROGRAM COMPLETION

(\$ in thousands)

	<u>FY 1992</u>	<u>FY 1993</u>	
QTY	AMT	QTY	
-	\$55,000	-	-

The FY 1992 budget includes \$55,000 for a price increase on the TAGS 39-40 contract should the Secretary of the Navy in reviewing this matter determine there is sufficient entitlement to justify payment.

COMPARISON OF FY 1991 PROGRAM REQUIREMENTS AS REFLECTED
IN FY 1992 BUDGET WITH FY 1991 PROGRAM REQUIREMENTS AS
SHOWN IN FY 1993 BUDGET

SUMMARY OF REQUIREMENTS (\$ IN THOUSANDS)		Total Program Requirements Per 1992 Budget		Total Program Requirements FY 1993 Budget		Increase (+) or Decrease (-)
	Budget					
Pilot Ballistic Missile	1,297,968	1,282,181				-15,787
Other Warships	4,926,753	3,627,053				-1,299,700
Ambilious Ships	1,198,100	1,361,797				+163,697
Mine Warfare and Patrol Ships	203,750	200,608				-3,142
Auxiliaries, Craft and PT Program Costs	1,582,200	902,672				-679,528
Total Fiscal Year Program	9,208,771	7,374,311				-1,834,460

EXPLANATION BY BUDGET ACTIVITY
(\$ IN THOUSANDS)

1. FLEET BALLISTIC MISSILE SHIPS (\$-15,787) - Congressional action on the FY 1992 budget reduced the available funding for the Trident program by \$15,787.
2. OTHER WARSHIPS (\$-1,299,700) - The termination of the SSN-21 program for \$1,381,700 partially offset by \$32,000 originally identified for a SLIP of the USS Kennedy has been restored for future transfer to OEM to support currently scheduled overhaul in FY 1993.
3. AMPHIBIOUS SHIPS (\$+163,697) - Congressional action on the FY 1992 budget transferred \$165,000 to the LHD program and reduced available funding on the LSD-41(GV) program by \$1,303.
4. MINE WARFARE AND PATROL SHIPS (\$-3,142) - Congressional action on the FY 1992 budget reduced the MEC program by \$3,142.
5. AUXILIARIES, CRAFT, AND PT/AR PROGRAM COSTS (\$-679,528) - The FY 1991 Dire Emergency Supplemental provided \$237,000 to offset prior year AOS shortfalls. Congressional action on the FY 1992 budget reduced available funding for Landing Craft (\$-8,700), LCAC (\$-4,137), and Post Delivery (\$-3,691) programs. \$500,000 appropriated for procurement of sealift ships has been transferred to the proposed National Defense Sealift Fund.

COMPARISON OF FY 1992 PROGRAM REQUIREMENTS AS REFLECTED
IN FY 1992 AMENDED BUDGET WITH FY 1992 PROGRAM REQUIREMENTS AS
SHOWN IN FY 1993 BUDGET

SUMMARY OF REQUIREMENTS (\$ IN THOUSANDS)

	Total Program Per 1992 Requirements Budget	Total Program Requirements Per 1993 Budget	Increase (+) or Decrease (-)
Fleet Ballistic Missile	0	0	0
Other Warships	6,064,530	4,110,352	-1,974,278
Amphibious Ships	245,134	25,000	-220,134
Mine Warfare and Patrol Ships	231,096	349,607	+118,511
Auxiliaries, Craft and PT Program Costs	1,932,440	1,978,979	+ 46,539
Total Fiscal Year Program	8,493,200	6,463,838	-2,029,362

EXPLANATION BY BUDGET ACTIVITY
(\$ IN THOUSANDS)

2. OTHER VESSELS (\$-1,974,278) - A reduction of \$1,853,200 as a result of the SSM-21 program termination and Congressional action on the FY 1992 budget which reduced the available funding for the DDC-51 program by \$73,617. In addition undistributed Congressional reductions for Consultant Services of \$17,761 and DDOF of \$1,000 are reflected. Lastly, an asset of \$28,700 in the DDC-51 program has been identified and is assumed to be reprogrammed to other shipbuilding programs.
3. AMPHIBIOUS SHIPS (\$-220,134) - Congressional action on the FY 1992 budget reduced one LSD (CV) ship for \$245,134. \$25,000 in support of future LSD (CV) procurements was provided by Congressional action on the Desert Storm Supplemental.
4. MINE WARFARE AND PATROL SHIPS (\$+118,511) - Congressional action on the FY 1992 budget added one MHC ship for \$110,000 in addition to an undistributed Congressional reduction for Consultant Services of \$2,189. Lastly, a reprogramming of \$10,700 is reflected.
5. AUXILIARIES, CRAFT, AND PT PROGRAM COSTS (\$+46,539) - Congressional action on the FY 1992 budget added \$600,000 for Sealift requirements, added twelve LCAC for \$238,098, added one TACOS ship for \$149,000, added \$55,000 for TAGS 39/40 claims, increased Service Craft by \$20,000, reduced AOG by \$40,110, reduced Oceanographic Ships by \$30,000, reduced Escalation for Prior Year programs by \$61,300, reduced Outfitting by \$36,455, and reduced Post Delivery by \$24,395. An undistributed Congressional reduction for Consultant Services of \$3,199 has also been reflected. Additionally, a reprogramming of \$-5,564 for Outfitting and \$+12,436 for Post Delivery is reflected. Lastly, a rescission of \$238,100 has been proposed for 12 LCAC as well as a transfer of \$600,000 from Sealift into the National Defense Sealift Fund.

COMPARISON OF FY 1991 FINANCING AS REFLECTED
IN FY 1992 BUDGET WITH 1991 FINANCING AS
SHOWN IN FY 1993 BUDGET

(\$ IN THOUSANDS)	Financing Per FY 1992 <u>Budget</u>	Financing Per FY 1993 <u>Budget</u>	Increase (+) or Decrease (-)
Program Requirements (Total)	\$9,613,771	\$8,756,011	\$-857,760
Program Requirements (Service Account)	(\$9,613,771)	(\$8,756,011)	(\$-857,760)
Program Requirements (Reimbursable)	0	0	0
 Less:			
Proposed Rescission Reprogramming from Other Accounts	\$ 405,000	1,381,700	+976,700
	0	165,000	+165,000
 Plus:			
Unobligated Balance Proposed For Transfer	\$ 535,100	900,000	+364,900
 Appropriation (Adjusted)	\$9,743,871	\$8,109,311	-1,634,560

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1991 program has changed since the presentation of the FY 1992 budget as noted below:

1. Program Requirements. There has been a net decrease to the appropriation (adjusted) of \$-1,634,560. This net change is comprised of a net decrease in program requirements (\$-857,760), less a net change in the proposed rescission (\$976,700) less an approved FY 1992 transfer of funds (\$165,000) and a net increase to a proposed FY 1993 transfer (\$+364,900).

COMPARISON OF FY 1992 FINANCING AS REFLECTED
IN FY 1992 AMENDED BUDGET WITH 1992 FINANCING AS
SHOWN IN FY 1993 BUDGET

(\$ IN THOUSANDS)		Financing Per FY 1992 Budget		Financing Per FY 1993 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)		\$8,493,200		\$8,555,138	\$ +61,938
Program Requirements (Service Account)		(\$8,493,200)		(\$8,555,138)	\$(- +61,938)
Program Requirements (Reimbursable)		0		0	0
<i>Less:</i>					
Proposed Rescission		0		\$ 2,091,300	\$+2,091,300
<i>Plus:</i>					
Unobligated Balance Proposed for Transfer		\$ 0		\$ 600,000	\$ +600,000
Appropriation/Reappropriation (Adjusted)		\$8,493,200		\$ 7,063,838	\$-1,429,362

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1992 program has changed since the presentation of the FY 1992 amended budget as noted below:

1. Program Requirements. There has been a net decrease to the appropriation (adjusted) of \$-1,429,362. The net program change is comprised of a net increase in program requirements (\$+86,087) offset by undistributed reductions for consultant services (\$-23,149) and D80P (\$-1,000), less a proposed rescission of \$2,091,300 comprised of the deletion of one SSN-21 and 12 LCAC. An offset to reflect a net increase to a proposed FY 1993 transfer of funds (\$600,000) to the National Defense Sealift Fund is also reflected.